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UNCLAS SECTION 01 OF 05 ASHGABAT 000211

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SUBJECT: SCENESETTER FOR SRAP HOLBROOKE'S VISIT TO
TURKMENISTAN

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¶1. (U) Sensitive but unclassified. Not for Internet distribution.

¶2. (SBU) SUMMARY: Embassy Ashgabat warmly welcomes your visit to Turkmenistan as an opportunity to strengthen our bilateral diplomatic dialogue and highlight our desire for greater cooperation involving Afghanistan. Key issues are our need to increase the number of humanitarian overflights for U.S. military aircraft headed to Afghanistan, the resumption of blanket landing permission for U.S. military aircraft at Ashgabat airport, and greater Turkmen involvement in humanitarian and reconstruction activities in Afghanistan. President Berdimuhamedov attended UNGA in September 2009, on the margins of which he also met with U.S. companies and was warmly received in Trenton, New Jersey. Foreign Minister Rashid Meredov traveled to Washington in June 2009 for consultations with USG officials. Under Secretary Burns met with both Berdimuhamedov and Meredov in Ashgabat during a July 2009 visit. CENTCOM Commander General Petraeus met with Berdimuhamedov in August.

¶3. (SBU) Now in the third year of his presidency, President Berdimuhamedov appears self-confident in his role as Turkmenistan's supreme authority. He will not hesitate to speak his mind during your meeting. Instead of the widespread, rapid reform that was hoped for after his rise to power, we have seen little substantive change in policies that impact the general public. While Turkmenistan will gradually bring its legislation more in line with international levels, implementation of revised laws remains ineffective. In foreign policy, Berdimuhamedov actively pursues contacts in all directions, but applies the country's "neutrality" policy to limit the substance of its foreign engagement. The Turkmen government would like to see a UN-brokered peace in Afghanistan and sends humanitarian assistance to Afghanistan on a bilateral basis. The Turkmen government relies heavily on top-down decision making. Presidential backing is considered both essential and sufficient for the successful and timely implementation of any policy initiative. END SUMMARY.

SECURITY

14. (SBU) The U.S. security relationship with Turkmenistan continues to unfold, with slow but consistent cooperation. Although basing is not an option, Turkmenistan remains an important conduit to Afghanistan for the U.S. military. Maintaining blanket overflight permission and restoring blanket landing permission for U.S. humanitarian airflights at Ashgabat Airport remain key U.S. goals. We have repeatedly asked, so far without success, for an increase of the number of overflights. We received a firm refusal of permission for overland transit of nonlethal supplies to Afghanistan.

15. (SBU) Turkmenistan allows the United States a generous overflight agreement (relative to other countries), which was renewed on November 29, 2009. The Turkmenistan blanket clearance number 999C was first granted to U.S. military aircraft in 2003. It has never provided unlimited permission to operate within Turkmen airspace and for this reason is sometimes described as a restricted blanket clearance. The blanket permission is authorized solely for delivery of humanitarian assistance and to help stabilize and rebuild the nation of Afghanistan. Aircraft must follow strict flight profiles and can utilize only select call signs. Aircraft are required to file an international flight plan prior to entering Turkmenistan airspace and cannot deviate from that flight plan while in Turkmenistan. Blanket permission is limited to certain U.S. military aircraft. Civil reserve air fleet and DoD contract carriers are not eligible for the automatic clearance. In spite of these limitations, the Turkmenistan blanket number 999C is considered vital to maintaining an effective western air bridge to U.S. forces in

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Afghanistan. In addition to overflight permission, the Turkmen government allows the U.S. to operate a small gas and go operation at Ashgabat Airport to refuel U.S. military cargo aircraft.

16. (SBU) AFCENT, Central Command's air component, is in the process of assisting Turkmenistan's National Civil Aviation Service that would enable it to increase its technical capacity to safely handle an increased number of overflights.

We are currently working on a project to alleviate the communications issues between Turkmenabat air traffic control, U.S. aircraft and Kabul. This should be delivered and in the process of installation in April. That project would likely need to be complete before being able to execute a significant increase in overflights.

17. (SBU) The Turkmen government has flatly rejected our request for transshipment of non-lethal U.S. cargo to Afghanistan. There are several reasons why it has opposed participating in the Northern Distribution Network (NDN). The first is Turkmenistan's own stated neutrality, which prevents them from participating in military alliances or agreements. This highlights the unique status of our extant overflight agreement. There also appears to be reluctance to support U.S. and NATO forces too openly as long as the ultimate outcome of the Afghan war remains uncertain. The Turkmen government coexisted with the Taliban as neighbors in the past and would want to avoid an irreparable breach in case the Taliban return to power. The long, porous Turkmen-Afghan border would make Turkmenistan an easy target for reprisals. Also, a Turkmen desire to avoid possible negative Russian (and Iranian) perceptions of military cooperation with the United States appears to affect their decision making.

18. (SBU) CENTCOM and Turkmenistan's military maintain an active military-to-military cooperation plan and a productive counter-narcotics program. CENTCOM Counter Narcotics has funded several mil-to-mil events as well as three border-crossing checkpoints (BCCs), on the borders of Iran (Altyn Asyr), Afghanistan (Imamnazar), and Uzbekistan

(Farap). CENTCOM intends to build another two BCCs as well as provide equipment and training to the State Counter Narcotics Service and State Border Service. U.S. security assistance programs focus on improving the communications capability of the Turkmenistan armed forces in the areas of emergency response and border security, English language ability, in addition to building a future leadership with western principles. With the assistance of the Embassy's Export Control and related Border Security (EXBS) program, the Embassy works to strengthen Turkmenistan's border security and increase their ability to interdict smuggling of weapons of mass destruction.

FOREIGN POLICY

¶9. (SBU) Like his predecessor Niyazov, Berdimuhamedov has emphasized "neutrality" as the hallmark of the country's foreign policy. Unlike his predecessor, however, he has interpreted "neutrality" not as isolation, but as promoting an even-handed and multi-vectored foreign policy. Nevertheless, he has put an unprecedented emphasis on foreign affairs to repair Turkmenistan's international and regional relations and to become a respected player on the international stage. Recent foreign trips by President Berdimuhamedov to Italy, Japan, Belarus, France and the UAE, and recent visits to Ashgabat by Chinese, Russian, Kazakh, Uzbek and Iranian leaders, have been opportunities for the Turkmen to reaffirm their multi-directional foreign policy. Under the president's leadership, Turkmenistan has reached out to participate actively in regional organizations. He has met with all the leaders in the region, as well as with those of other countries of importance to Turkmenistan. China has a strong and growing commercial presence in

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Turkmenistan, and continues to court the president through a series of high-level commercial and political visits. Berdimuhamedov addressed the UNGA in September 2009 and has held positive meetings with high-level leaders of international organizations (including both the UN and the Organization for Security and Cooperation in Europe) that have led to cooperative relationships. The international financial institutions play a minor role in Turkmenistan, with the exception of the EBRD.

REGIONAL POLICY

¶10. (SBU) Accompanying the president's focus on reaching out to Turkmenistan's near and more distant neighbors has been an increased effort to participate in and cooperate with regional fora. During President Berdimuhamedov's tenure, Turkmenistan has become an increasingly active player in a number of regional fora, including the (counter-narcotics) Central Asian Regional Information and Coordination Center, the Central Asian Trade Investment Framework Agreement mechanism (TIFA), and the European Union's Central Asian Troika process. Nevertheless, Turkmenistan prefers to deal with other countries bilaterally. It is a strong proponent of the UN and will often choose to participate in activities that under UN aegis.

ASSISTANCE TO AFGHANISTAN

¶11. (SBU) Turkmenistan participates in regional reconstruction efforts in Afghanistan and has sponsored a number of Afghan students at its universities and pedagogical institutes in the past. In early April 2008, the Turkmen government agreed to bolster by 2010 the electricity it is already selling to Afghanistan by an additional 300 megawatts. However, this has not happened, in part, due to inadequate infrastructure on the Afghan side. The president also agreed to extend the current price at which Turkmenistan is selling electricity to Afghanistan -- 2 cents per kilowatt hour -- to 2010. Concerning Afghanistan, Foreign Minister Meredov responded to a briefing on current U.S. policy by saying that Turkmenistan also sees the problems in

Afghanistan and Pakistan as linked, and that they cannot be solved simply by military means. Turkmenistan donates humanitarian aid to Afghanistan, particularly in the northern part of the country, constructing schools, hospitals and other projects.

ENERGY

¶12. (SBU) Turkmenistan has world-class natural gas reserves, but in the past, Russia's near monopoly of the country's energy export routes made it overly beholden to Russia. The opening of new pipelines to China in December 2009 and Iran in January should reduce Turkmenistan's reliance on Russia. The construction of a new generation facility and high-voltage electricity lines to transport excess energy to Turkmenistan's neighbors, including Afghanistan, would not only enhance Turkmenistan's economic and political sovereignty, but also help fuel new levels of prosperity throughout the region. A long-discussed USAID-supported plan to ship Turkmen electricity to Afghanistan appears to have lost traction due to a change in Afghan government investment priorities. However, Berdimuhamedov has told U.S. interlocutors he recognizes the need for more energy export options and has taken the first steps to this end. He will require encouragement and assistance from the international community if he is to maintain a course of diversification now that relations with Gazprom appear to be patched up.

¶13. (SBU) One of the biggest challenges that Turkmenistan's hydrocarbon sector will have to face, if it is to succeed in pipeline diversification, is the need for increased natural-gas production. Large increases will be needed as new pipelines come online. While Turkmenistan has welcomed

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foreign companies to work its offshore (primarily oil) Caspian blocks, it has up to now largely rejected allowing foreign energy companies to work its onshore gas fields, maintaining that it can handle the drilling itself. U.S. policy has promoted access to onshore production by major Western oil companies. President Berdimuhamedov has repeatedly told visiting U.S. officials that foreign companies would not be granted production sharing agreements for the development of onshore gas deposits.

HUMAN RIGHTS

¶14. (SBU) President Berdimuhamedov has made a public commitment to bring Turkmenistan's laws and practices -- including those relating to human rights -- up to international standards. Although the president is making progress in overhauling Turkmenistan's laws, human rights practices continue to lag behind the country's obligations as a UN and OSCE member. RFE/RL reporters continue to experience considerable harassment from security forces. While the Turkmen have made some improvement in their treatment of minority religious groups, minority Christian religious groups continue to experience problems with registration and harassment. There are numerous cases of individuals, including students, journalists, and former government officials, being barred from travel abroad.

ECONOMY AND FINANCE

¶15. (SBU) The global financial crisis does not appear to have had an impact in Turkmenistan. The Ashgabat construction boom and announcements of other capital investment projects continue apace. President Berdimuhamedov has stated repeatedly, in many fora, that he wants to develop an international-standard market economy and to promote foreign investment. To those ends, Turkmenistan has eliminated its currency's dual exchange rates and re-denominated its currency. The president has stated that some state enterprises will be privatized -- though not in "strategic" sectors like oil and gas, electricity, textiles, construction, transportation, and communications. He has

signed a new foreign investment law, which, among other things, guarantees resident foreign businessmen and their families one-year, multi-entry visas, and approved changes to the tax code. The president divided the overworked Ministry of Economy and Finance into two bodies -- a Ministry of Economy and Development, and a Ministry of Finance, and he created a Supreme Audit Chamber with the goal of providing greater oversight of government spending.

¶16. (SBU) Even though the president has reshaped his bureaucracy, put in place the structures that theoretically should help promote a market economy, and opened Turkmenistan to cooperation with IFIs, the lack of basic understanding and bureaucratic capacity remains an enormous impediment to change. New reforms are being rolled out with inadequate preparation, understanding of their consequences and explanation -- and are leading to increased public dissatisfaction. USAID is working to increase human capacity in several new government institutions, to prepare the strategy to support private sector development, and to support the introduction of International Financial Reporting Standards in Turkmenistan.

COUNTER-NARCOTICS COOPERATION

¶17. (SBU) Turkmenistan has serious problems with narcotics trafficking and addiction, primarily opiates from Afghanistan. In January 2008, Berdimuhamedov established and funded the new State Counter-Narcotics Service with DEA-like responsibilities for both interdiction and demand-reduction efforts. Still, the effort involves building the new agency's infrastructure and capacity from the ground up. The Turkmen side has welcomed U.S. training and equipment.

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